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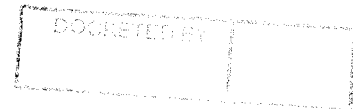
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Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

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Arizona Corporation Commission
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JAN 05 2001



**Re: Sufficiency Review for Talk.com Holding Corp.
d/b/a The Phone Company and also d/b/a
Network Services of New Hope
Docket No. U-3342A-97-0129**

Dear Sir/Madam:

Enclosed for filing are the original and ten (10) copies of the additional information requests in reference to the Sufficiency Review filed on behalf of Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services of New Hope.

Any questions pertaining to this filing may be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it in the self-addressed, stamped envelope enclosed for this purpose.

Thank you for your assistance.

Sincerely,

Connie Wightman
Consultant to Talk.com Holding Corp.

CW/im

Enclosures

cc: Anthony Gatto, Arizona Corporation Commission
Tina Tecce
File Talk.com - AZ
TMS: AZI0002A

TALK.COM HOLDING CORP.
SUFFICIENCY REVIEW
DOCKET NUMBER T-03342A-97-0129

- A. Please provide the projected total revenue for the first twelve months of service in Arizona (or next 12 months of service if doing business already). This calculation must assume the Company is charging the maximum rate requested in its tariff. Total revenue could be calculated as the number of units sold for all services offered times the maximum charge per unit.

\$1.2 Million.

- B. Please provide the projected value of total operating expenses for the first twelve months of service in Arizona (or next 12 months of service if doing business already).

\$780,000

- C. Please provide the projected value of all assets to be used to provide telecommunications service to Arizona customers for the first twelve months of service (or next 12 months of service if doing business already). Please be aware that assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this figure.

The Company does not have property, plant or equipment dedicated to Arizona. Moreover, the Company recognizes that presently, and for the foreseeable future, its position in the long distance market is that of a price-taker. In other words, for a non-dominant firm operating in a market with a priceleading dominant firm, the non-dominant firm must essentially accept the established rates. The non-dominant firm is not in a position for its costs to drive its rates in the way suggested by this request. Consequently, the Company has never either for its own purposes or as required by a regulator-evaluated its cost/rate relationship in the manner requested.

Event as competition in the market grows, and the dominant firm's market power recedes, the Company's rates will not be driven by its costs as derived under a Fair Value Rate Base approach, but by the very market in which it operates.